



# Department of Justice

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## **JUSTICE DEPARTMENT REQUIRES A DIVESTITURE IN COOKSON'S ACQUISITION OF FOSECO**

### ***Divestiture of Carbon Bonded Ceramics Business Will Preserve Competition***

WASHINGTON — The Department of Justice announced today that it has reached a settlement that will require Cookson Group plc and Foseco plc to divest Foseco's U.S. carbon bonded ceramic (CBC) business in order to proceed with Cookson's proposed \$1 billion acquisition of Foseco. The Department said that the transaction, as originally proposed, would substantially lessen competition in the United States for certain CBCs used in the continuous casting steelmaking process, resulting in increased prices and reduced service and innovation.

The Department's Antitrust Division filed a civil antitrust lawsuit today in U.S. District Court in Washington, D.C., to block the proposed transaction. At the same time, the Department filed a proposed settlement that, if approved by the court, would resolve the lawsuit and the Department's competitive concerns.

"Without the divestitures required by the Department, purchasers of certain CBCs in the United States likely would have faced higher prices and reduced service and innovation as a result of this transaction," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division. "The remedy will ensure that these customers will continue to receive the benefits of competition."

Cookson and Foseco are two of only three competitors that produce CBCs in North America. CBCs are products made of carbon-bonded alumina graphite that control the flow of molten steel during the continuous casting of steel. According to the complaint, the transaction would have eliminated competition between Cookson and Foseco for two types of CBCs—stopper rods and ladle shrouds—sold to customers in the United States.

Under the terms of the proposed settlement, Cookson and Foseco must divest Foseco's entire U.S. CBC business, including its plant in Saybrook, Ohio, and related assets. Under the proposed settlement, the Department's Antitrust Division must approve the buyer of the divested assets.

The remedy contained in the proposed settlement is consistent with that obtained as a result of an antitrust investigation by the European Commission that also was announced today. The Department's Antitrust Division and the European Commission cooperated throughout the

course of their investigations, and will continue to do so to ensure the expeditious divestiture of Foseco's U.S. business.

"This resolution by the Antitrust Division and the European Commission is an example of effective cooperation in global competition enforcement," said Barnett.

Cookson is a United Kingdom public limited company headquartered in London. Cookson is a worldwide leader in the supply of ceramic refractories used in the steelmaking and foundry industries. Cookson is the largest producer of CBCs in the world and in North America. Its 2006 worldwide revenues were approximately \$3.3 billion.

Foseco is a United Kingdom public limited company headquartered in Staffordshire, England. Foseco is a world leader in the supply of ceramic refractories for use in the foundry and steelmaking industries. Foseco is one of three producers of CBCs in North America. Its 2006 worldwide revenues were approximately \$817 million.

As required by the Tunney Act, the proposed settlement, along with a competitive impact statement, will be published in the Federal Register. Any person may submit written comments concerning the proposed settlement during a 60-day comment period to Maribeth Petrizzi, 1401 H Street N.W., Suite 3000, Washington, DC 20530. At the conclusion of the 60-day comment period, the court may enter the final judgment upon a finding that it serves the public interest.

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